

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BIG RIVERS)	CASE NO.
ELECTRIC CORPORATION FOR ANNUAL)	2021-00061
REPORT ON MRSM CREDIT)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO BIG RIVERS ELECTRIC CORPORATION

Big Rivers Electric Corporation (BREC), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due within 10 days of the date of this request. The Commission directs BREC to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

BREC shall make timely amendment to any prior response if BREC obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which BREC fails or refuses to furnish all or part of the requested information, BREC shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, BREC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, the Direct Testimony of Paul G. Smith (Smith Testimony), Exhibit Smith-4. Provide the referenced "Note 1" and "Note 2."

2. Refer to the Application, Smith Testimony, Exhibit Smith-8. Provide the date of each transaction, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of contracts or other documentation that support the charges incurred.

3. Refer to the Application, the Direct Testimony of John Wolfram, Exhibit Wolfram–8, page 1. Both filed cost of service studies indicated that, for both rate classes, the energy rate is greater than the cost based rate and the demand rate is less than the cost based rate. Explain whether BREC believes a revenue neutral rate design is needed to bring the rates more in line with the cost to serve.

4. Based upon BREC’s financial planning, provide the forecasted margins and resulting Times Interest Earned Ratio (TIER) for the next five years.

5. In Case No. 2021-00079,² BREC is seeking an Order to allow for the establishment of a regulatory asset to defer recognition of the costs that BREC expects to incur as a result of the retirement of certain Green Station assets. In addition, BREC is requesting that the Commission include the proposed regulatory asset in the Smelter Loss Mitigation Regulatory Assets. Explain whether BREC believes, with the addition of the proposed regulatory asset, the current minimum balance of \$9.0 million for the regulatory liability will provide adequate funds to ensure BREC maintains a TIER of 1.30.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED MAR 16 2021

cc: Parties of Record

² Case No. 2021-00079, *Electronic Application of Big Rivers Electric Corporation for a Certificate of Public Convenience and Necessity Authorizing the Conversion of the Green Station Units to Natural Gas-Fired Units and an Order Approving the Establishment of a Regulatory Asset* (filed Mar. 1, 2021).

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